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## United States Senate

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: http://commerce.senate.gov

October 1, 2014

Mr. Tom Vilsack Secretary U.S. Department of Agriculture 219A Whitten Building 1400 Independence Avenue, Southwest Washington, DC 20250

## Dear Secretary Vilsack:

We write today regarding the on-going rail service challenges currently facing a large part of the country, but especially the Upper Midwest. As you know, these rail service delays have impacted a variety of industries, including agriculture, which is a critical economic driver in both of our home states. In fact, at a recent U.S. Senate Commerce, Science, and Transportation Committee hearing Mr. Arthur Neal, Deputy Administrator of the Transportation and Marketing Program at the U.S. Department of Agriculture (USDA) testified and highlighted the significance of this crucial issue to many of America's producers and grain elevators.

While we understand that you have briefed the president on this critical rail situation, no regional or national studies have been conducted to assess the economic impact of these rail service challenges. However, a University of Minnesota report indicated that transportation bottlenecks cost the state's farmers almost \$100 million between March and May of this year. The same report also suggested the potential for another \$124 million in lost revenue due to lagging rail service.

While very useful, such reports tell only part of the story. Therefore, we respectfully request that the USDA conduct a more detailed economic analysis of the ongoing transportation challenges facing producers and agricultural end users in our region, including food processors, livestock producers, and ethanol refiners. When completing this analysis, we request that the USDA also consider, as appropriate, commodity prices, food prices, and changes in agricultural exports. We hope that the information provided by this analysis will present a clearer picture of the challenges facing the agriculture industry as we work to help resolve them.

We look forward to working with you on this important matter. Should you have any questions, please feel free to have your staff reach out to Adrian Arnakis on my Commerce Committee staff (202) 228-5388 or Danny Carlson in Senator Klobuchar's office (202) 228-2186.

Sincerely,

JOHN THUNE Ranking Member

AMY KLOBUCHAR United States Senator